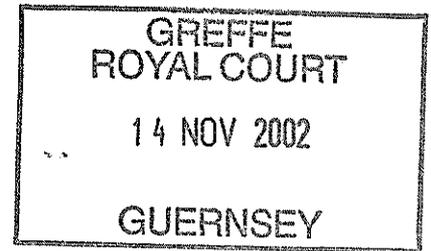


GUERNSEY STATUTORY INSTRUMENT
2002 NO. 40



**The Insurance Managers and Insurance Intermediaries
(Licensing) Regulations, 2002**

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| <i>Made</i> | <i>5th November, 2002</i> |
| <i>Coming into operation</i> | <i>5th November, 2002</i> |
| <i>Laid before the States</i> | <i>2002</i> |

THE GUERNSEY FINANCIAL SERVICES COMMISSION (in these regulations called "the Commission"), in exercise of its powers conferred by sections 3(3) and 62 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, and after consultation with the States of Guernsey Advisory and Finance Committee, the States of Alderney Policy and Finance Committee and the Chief Pleas of Sark General Purposes and Finance Committee, hereby makes the following regulations:

Application for licence.

1 An application for an insurance intermediary's or an insurance manager's licence under section 3 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 shall comprise the following:

1.1 An application form including:

1.1.1 a fully completed application form in the standard format determined by the Commission, as published on its website, together with the appropriate fee payable in accordance with section 71 of the Insurance Managers and Insurance Intermediaries (Bailiwick of

Guernsey) Law, 2002 or any fees regulations made thereunder, where applicable; and

1.1.2 a signed copy of the Conduct of Business Rules.

1.2 Details of ownership including:

1.2.1 Sufficient information to confirm the ultimate ownership of the proposed applicant.

1.2.2 Sufficient information to confirm the proposed applicant's controllers.

1.2.3 A list of the applicant's current shareholders and proposed shareholders on licensing, if different.

1.2.4 An organisation chart in sufficient detail to identify all holdings between the company and its ultimate holding company.

1.2.5 The latest audited financial statements of the applicant and ultimate holding company and controller, where different.

1.2.6 A short narrative outlining the background of the ultimate holding company and controller, where different.

1.2.7 Where a trust is involved in the ownership chain, the following:

1.2.7.1 a copy of the trust deed;

1.2.7.2 the names and current address of the beneficiaries;

1.2.7.3 the names and current addresses of the settlors;

1.2.7.4 the names and current addresses of the trustees;

1.2.7.5 the relationship of the settlors to the beneficiaries.

1.2.8 The proposed method of capitalisation, whether by way of share capital, letter of credit, subordinated loans or otherwise.

1.2.9 Any other information that is relevant to a full understanding of the control or ownership of the applicant or as may be requested by the Commission.

1.3 A business plan to include:

1.3.1 Financial projections, covering at least the first 3 years of operations of the applicant following licensing.

1.3.2 A narrative setting out the rationale for setting up the company in the Bailiwick of Guernsey.

1.3.3 A list of insurance companies intended to be used by an insurance intermediary applicant in the next 12 months.

1.3.4 Details of any other forms of business to be undertaken.

1.3.5 Details of the jurisdictions in which the applicant intends to conduct business as an insurance manager or insurance intermediary.

1.4 Information required in respect of the applicant's personnel and third

party service providers including:

1.4.1 The names and addresses of the current and proposed:

1.4.1.1 directors;

1.4.1.2 officers;

1.4.1.3 managers;

1.4.1.4 general representative;

1.4.1.5 consultants;

1.4.1.6 Money Laundering Reporting Officer; and

1.4.1.7 compliance officer.

1.4.2 For all current and proposed directors and general representatives, a Personal Questionnaire, in the standard format determined by the Commission, as published on its website, or a statement from the current or proposed director or general representative that the Personal Questionnaire held by the Commission is a current Personal Questionnaire in accordance with the definition in Schedule 3 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002. The Commission may require Personal Questionnaires to be completed by other individuals as it sees fit.

1.4.3 The name, address, date of birth, qualifications, and employment history of insurance representatives to be authorised by

the applicant under section 15 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.

1.4.4 A copy of the auditors' acceptance to act as auditor of the applicant (on headed paper including the name and address of the auditor).

1.4.5 Details of any other third party service providers.

1.5 The memorandum and articles of association.

1.6 The certificate of incorporation.

1.7 The amount of and limitations (including exclusions and geographical limitations) of PI cover.

1.8 A copy of the client monies handling procedures.

1.9 The details of the bank mandate signing powers.

1.10 Confirmation that share capital has been received.

1.11 Confirmation as to the origin of sources of funds to support the operations of the applicant.

Business from sensitive jurisdictions.

2 Additional information, to be individually determined by the Commission, may be required where the applicant, potential clients, controller or ultimate holding company is resident in a sensitive jurisdiction, as published by the Commission on its website.

Exempt Persons.

3 For the purposes of section 2(4) of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 the following persons are exempt from the requirement to be registered as an insurance intermediary:

3.1 Those persons advising on policies of insurance as part of a contract to provide goods or services; including:-

3.1.1 the selling of an extended warranty insurance product where that product is sold as part of an exclusive arrangement originated by the product manufacturer and in conjunction with the purchase by the insured of goods;

3.1.2 the selling of a travel insurance product where that product is sold as part of an exclusive arrangement originated by the tour operator and in conjunction with the purchase by the insured of a holiday package arrangement, either directly or through a travel agent; and

3.1.3 the selling of credit protection insurance where such insurance is sold unconditionally as part of an agreement when providing loan or overdraft facilities, other than mortgage protection, where the provider is not promoting any other insurance service to its customer base.

3.2 Those persons providing fiscal advice which does not include advising on the choice of the insurance product provider.

3.3 Licensed insurance managers who advise large clients and not the general public.

Other powers to require information.

4 The provisions of these regulations are without prejudice to the power of the Commission to require additional information and documents in relation to any application.

Meaning of "large client".

5 A "large client" means a client which has at least 50 employees or more than £500,000 net turnover in its last completed financial year.

Citation.

6 These Regulations may be cited as the Insurance Managers and Insurance Intermediaries (Licensing) Regulations, 2002.

Commencement.

7 These Regulations shall come into force on the 5th November, 2002.

Interpretation.

8 8.1 Any reference in these regulations to an enactment, regulation, rule or code is a reference thereto as amended.

8.2 The provisions of the Interpretation (Guernsey) Law, 1948 apply to the interpretation of these Regulations.

Dated this *5th* day of November, 2002.



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L C Morgan

Chairman of the Guernsey Financial Services Commission

For and on behalf of the Commission

EXPLANATORY NOTE.

(This note is not part of the Regulations)

These regulations define the information required of an applicant when applying for a licence to act as an insurance manager or insurance intermediary under section 3(3) of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.